

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

**MINUTES OF THE MEETING HELD ON WEDNESDAY 20 JANUARY
2021**

Present: Councillors Brice, M Burton, Chappell-Tay, Clark, Cox(Chairman), English, Mrs Gooch, Harper, Harvey, Mortimer, Newton, Perry, Round, Springett and de Wiggondene-Sheppard

Also Present: Councillors Kimmance, J Sams and T Sams

107. APOLOGIES FOR ABSENCE

Apologies were received from Councillor McKay.

108. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Harper was present as Substitute Member for Councillor McKay.

109. URGENT ITEMS

An urgent item had been published as part of an Amended Agenda, Item 18 – Urgent Item – Treasury Management Strategy – Counterparty Limits. The item had to be considered in order that a recommendation could be made to the next meeting of Full Council.

110. NOTIFICATION OF VISITING MEMBERS

Councillors J and T Sams were present as Visiting Members for Item 17 – Council-Led Garden Community Update.

Councillor Kimmance was present as a Visiting Member for Item 13 – Strategic Plan – Proposed Areas for Focus 2021-2026 and Key Performance Indicators for Covid19 Recovery and Item 17 – Council-Led Garden Community Update.

111. CHANGE TO THE ORDER OF BUSINESS

Item 17 – Council-Led Garden Community Update would be taken before Item 13 – Strategic Plan – Proposed Areas of Focus and Key Performance Indicators for Covid-19 Recovery, to accommodate the members of the public in attendance for the item.

Item 18 – Urgent Item – Treasury Management Strategy – Counterparty Limits would be taken before Item 16 – Medium-Term Financial Strategy and Budget Proposals.

112. DISCLOSURES BY MEMBERS AND OFFICERS

Councillor Brice disclosed a pecuniary interest for Item 15 – Medium Term Financial Strategy – Capital Programme and did not vote on the item.

113. DISCLOSURES OF LOBBYING

All Committee Members had been lobbied on Item 17 – Council-Led Garden Community Update.

Councillors Chappell-Tay, Mrs Gooch, Harvey, Mortimer, Perry and Round had been lobbied on Item 13 – Strategic Plan – Proposed Areas for Focus 2021-2026 and Key Performance Indicators for Covid-19 Recovery.

Councillor Chappell-Tay had been lobbied on Item 15 – Medium Term Financial Strategy – Capital Programme.

Councillor Perry had been lobbied on Item 16 – Medium Term Financial Strategy and Budget Proposals.

114. EXEMPT ITEMS

RESOLVED: That all items be taken in public, as proposed.

115. MINUTES OF THE MEETING HELD ON 16 DECEMBER 2020

RESOLVED: That the Minutes of the meeting held on 16 December 2020 be agreed as a correct record and signed at a later date.

116. PRESENTATION OF PETITIONS

There were no petitions.

117. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were four questions from Members of the Public.

Question from Ms Kate Hammond to the Chairman of the Policy and Resources Committee

'Your report on the Council-led garden community states that 'very good progress continues to be made with the project'. In the last twelve months, you have dropped the High-Speed rail station, motorway junction and secondary school from your plans. There are countless other issues with the proposed site. Three principal landowners have pulled out of the project and there seems to be a lot of confusion on how many homes the site will be able to deliver. You're resorting to scare tactics such as compulsory purchase orders. You have not made any progress in getting even one landowner to sign terms. Apart from a promised collaboration agreement with Homes England, please can you explain what you believe to be 'very good progress?'

The Chairman responded to the question.

Question from Mr Darren Hammond to the Chairman of the Policy and Resources Committee

'You have spent nearly £400,000 of council taxpayer's money in the last 18 months on the Heathlands council-led garden community and are making budget provision for a further £1.7m in future years. Is this a good use of public money in the current financial climate especially when so many other Garden Villages are failing in Local Plans?'

The Chairman responded to the question.

Mr Hammond asked the following supplementary question:

'How can the Council continue to justify the financial risk of Heathlands when the proposal rates so poorly in every independent assessment, and so many other vital services in the Borough are desperate for funds, for example the Hazlitt Theatre and Maidstone Leisure Centre, in the current climate?'

The Chairman responded to the supplementary question.

Question from Ms Gail Duff to the Chairman of the Policy and Resources Committee

'Eight principal landowners within the Heathlands council-led garden community project received draft Heads of Terms for agreement over a year ago on 17th January 2020. Please can you confirm how many landowners have signed Heads of Terms for land within the Heathlands project?'

The Chairman responded to the question.

Ms Duff asked the following supplementary question:

'One of the five principle land owners told us that Maidstone Council is 'barking up the wrong tree' in respect to the Heathlands Council-Led Garden Community. Do you think you are barking up the wrong tree?'

The Chairman responded to the supplementary question.

Question from Mr Steve Heeley to the Chairman of the Policy and Resources Committee

'Your report on the Council-led garden community states that 'constructive dialogue continues with the five principal landowners'. Please can you confirm how many times you or your appointed lawyers have held meetings with each of the five principal landowners, as a group or individually, in the last 12 months?'

The Chairman responded to the question.

Mr Heeley asked the following supplementary question:

'Can you confirm whether you have met with each of the five individual landowners in the last 12 months?'

The Chairman responded to the supplementary question.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough council website.

To access the recording, please use the link below:
<https://www.youtube.com/watch?v=HjSSCmfm8Pg>

118. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were two questions from Members to the Chairman.

Question from Councillor J Sams to the Chairman of the Policy and Resources Committee

'At last week's SPI meeting, the Chair of SPI informed the meeting that the consultation timescale change was an officer decision. Throughout, we said we were happy, and indeed pushed, for the period to be 6 weeks, due to the Pandemic.

Our concern remains process and transparency, and the independence of the SPI committee.

Can you please therefore enlighten me as to what was the decision-making process, what specific information was available, the time line of conversations from the start to finish, and who was spoken to and in what capacity, and who signed off that decision?'

The Chairman responded to the question.

Councillor Sams asked the following supplementary question:

'Why were the deputy leader and the other group leaders not involved, but only the Conservative Group Leader, who was Vice Chair of Policy and Resources Committee?'

The Chairman responded to the supplementary question.

Question from Councillor Round to the Chairman of the Policy and Resources Committee

'Having had two decisions by Maidstone Borough Council's duly elected Planning Committee and one refusal by this Policy & Resources Committee, acting as the Planning Referrals Committee, to refuse the Bellway Application to build up to 450 Houses on Land West of Church Road. As there appears to be a number of serious inconsistencies within

the Planning Inspectorate Report, will this Committee now recommend a Judicial Review of the decision?'

The Chairman responded to your question.

Councillor Round asked the following supplementary question:

'Would you have any objections to a private judicial review being taken out using evidence that exists and can you divulge what the cost amount is?'

The Chairman responded to the supplementary question.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough Council website.

To access the webcast recording, please use the link below:

<https://www.youtube.com/watch?v=HjSSCmfm8Pg>

119. COMMITTEE WORK PROGRAMME

Two additional items would be added to the work programme, to be presented in February 2021; the Appraisal Sub-Committee and a reference from the Strategic Planning and Infrastructure Committee to request access to the Biodiversity and Climate Change funding.

The Committee felt that the possibility of conducting a judicial review on the planning inspectorate's decision regarding the Church Road appeal should be explored and requested that a report be presented to the Committee within the six-week timeframe permitted for an appeal against the decision.

The Head of Mid-Kent Legal, Monitoring Officer outlined the legal requirements necessary to conduct a judicial review and referenced the delegations within the Council's Constitution.

RESOLVED: That

1. That a report on the (Land West of) Church Road Inspector's appeal be presented to the 10 February 2021 meeting of the Committee, or an alternative extraordinary Committee meeting, and that in the interim the Chief Executive be requested to seek appropriate legal Counsel's review of the Inspectors decision; and
2. The Committee Work Programme be noted.

120. COUNCIL-LED GARDEN COMMUNITY UPDATE

Prior to the report introduction, Mr Steve Heeley addressed the Committee on behalf of the Save Our Heathlands Action Group.

The Director of Regeneration and Place introduced the report and stated that the Council had submitted its representations on the proposal to the Regulation 18 preferred approaches document public consultation and sustainability appraisal, in consultation with the Chair and Vice-Chair of the Committee. The third stage submission to the Local Planning Authority (LPA) would be required by the end of March 2021.

The collaboration agreement between the Council and Homes England would be presented to the Committee at its March 2021 meeting. The LPA had requested that the land north of the railway line be further explored within the proposal, which could reduce the number of landowners within the red line.

RESOLVED: That the report be noted.

121. STRATEGIC PLAN - PROPOSED AREAS FOR FOCUS 2021-2026 AND KPIS FOR COVID19 RECOVERY

The Chief Executive introduced the report in the context of the ongoing refresh of the Strategic Plan, as agreed by the Committee in July 2020. The feedback provided throughout the process would influence the allocation of resources within the period 2021-2026, with the proposed Key Performance Indicators (KPIs) in respect of Covid-19 recovery highlighted. The information contained in the appendices to the report were outlined.

The Chief Executive acknowledged the feedback received from Members in the Summer of 2020 on the future priorities and areas of focus, which had been considered during the September, October and November 2020 meetings of the Committee. The significance of the Member Covid-19 Recovery Consultative Group in shaping the Council's response to Covid-19, through providing feedback from local residents and businesses was noted.

Specific attention was drawn to Appendices C and D to the report, with the Committee's feedback requested. The appendices would be presented to the Council's other service committees, with the feedback given to be presented to the 10 February meeting of the Committee.

During the discussion, the importance of the multiagency partnership working and data sharing undertaken in relation to domestic abuse, significance of local healthcare structures and the scope of Maidstone Task Force were referenced. The Chief Executive confirmed that the adverse effect on children that witness abuse was of significant focus for the partnership. Several Members expressed support for the provision of affordable Gypsy and Traveller accommodation.

The Chief Executive confirmed that the comments received would be distributed to the relevant service committees.

RESOLVED: That

1. The proposed refreshed areas of focus for the council's Strategic Plan for the period 2021-2026, set out in Appendix C to the report, be considered and the Committee's comments be taken into account before consultation is conducted with the Council's Service Committees; and
2. The proposed Key Performance Indicators for Covid19 Recovery, set out in Appendix D to the report, be considered and the Committee's comments be taken into account before consultation is conducted with the Council's service committees.

Note: Councillor de Wiggondene-Sheppard left the meeting during the item's discussion.

122. **COUNCIL TAX BASE 2021/22 & COLLECTION FUND ADJUSTMENT**

The Head of Finance introduced the report and stated that the Council Tax Base calculated for the next financial year was £63,550.1, which displayed a growth of 0.36% from last year. The calculations used were outlined within Appendix 1 to the report.

The financial uncertainties faced by the Council were reiterated, in regards to the Business Rates forecast and the increase in the bad debt allowance to 2.5% of the tax base. This reflected the increased likelihood of irrecoverable debts arising from financial hardship as a result of the Covid-19 pandemic. Parish Councils had been informed of their draft Council Tax Bases before Christmas 2020.

There was a £3 million deficit for the current financial year between the Council and major preceptors; Kent County Council, Kent Police and Kent Fire and Rescue. The cumulative balance was £2.58 million which would be spread across the next three years, due to government intervention where a deficit had occurred. The Council's share of the cumulative balance of £115,045 would be offset by the Council's cash balances in the interim period until the deficit was recovered.

The Head of Finance noted that the details of the government scheme whereby the Council could be compensated for up to 75% of the irrecoverable losses through Council Tax and Business Rates, were yet to be announced. Consequently, the financial implications of the scheme had not been included within the item presented.

RESOLVED: That

1. In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulation 2012, the amount calculated by the Authority as the Council Tax Base for the year 2021-22 shall be 63,550.1;

2. In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by the Authority as the Council Tax Base for each parish area for the year 2021-2022 shall be as identified in Appendix 2 to the report; and
3. The 2020-21 Council Tax projection and proposed distribution detailed in Appendix 3 to the report, be agreed.

123. MEDIUM TERM FINANCIAL STRATEGY - CAPITAL PROGRAMME

The Senior Finance Manager introduced the report and stated that the Capital Strategy outlined the key principles and guidelines that the Council followed in undertaking the Capital Programme. The five-year programme totalled £129 million. It was proposed that the rate of return necessary to ensure a project's viability be reduced from 5% to 4%, to reflect the reduced cost of borrowing arising from reduced interest rates. The Audit, Governance and Standards Committee had approved the strategy.

The maximum rate of borrowing for the capital programme had been agreed at £103 million and was likely to be sourced from the Public Works Loan Board (PWLB), however alternative options would be considered if appropriate. The schemes shown within Appendix 1 to the report were outlined, with the £18 million in additional funding for the Private Rented Sector (PRS) programme noted.

In response to questions, the Director of Finance and Business Improvement confirmed that the reduced interest rates on any borrowed funding would remain fixed. It was confirmed that if a scheme was ready to commence earlier than expected, a report could be presented to the Committee to request that the funding be transferred forward.

The Director of Regeneration and Place stated that the Medway Street Car Park Scheme would be presented to the Committee once further details were available. The Granada House Scheme would be presented to the Committee at its next meeting.

RESOLVED: That

1. The capital strategy principles, as set out in paragraph 2.6 of the report, be agreed;
2. The capital funding projection set out in Appendix 2 of the report, be agreed;
3. The capital programme 2021/22 onwards as set out in Appendix 3 to the report, be agreed;
4. In agreeing recommendations two and three as outlined above, a prudential borrowing limit of £103.428 million over the period of the programme shall be recommended to Council as part of the Treasury Management Strategy 2021/22, be noted; and

5. In assessing the viability of capital schemes, the hurdle rate of return be reduced from 5% to 4% as set out in paragraph 2.13 of the report.

Note: Councillor Brice did not vote on this item.

124. URGENT ITEM - TREASURY MANAGEMENT STRATEGY - COUNTERPARTY LIMITS

The Director of Finance and Business Improvement introduced the report and stated that as the Council had received further funding from central government to provide Covid-19-related business grants, the counterparty limits had been exceeded. The Audit, Governance and Standards Committee, as the body responsible for the Treasury Management Strategy (TMS), had been informed.

The proposed increases in the credit limit for banks and money markets were outlined, with the new limits proposed shown in Appendix 1 to the report.

The Director of Finance and Business Improvement highlighted that, if agreed, the proposed new limits would need to be agreed by Full Council. A meeting had been scheduled for 28 January 2021 to allow the limits to be adopted immediately, to ensure future compliance to the counterparty limits.

RESOLVED: That Council be recommended to adopt the Treasury Management Counterparty limits as set out in Appendix 1 to the report, in advance of the previously envisaged adoption date of 1 April 2021.

125. MTFS AND BUDGET PROPOSALS

The Director of Finance and Business Improvement introduced the report that built upon the Medium-Term Financial Strategy that was presented to the Committee on 16 December 2020. As a result of the Local Government Finance Settlement and Chancellor's Spending Review, the Council's budget gap had been reduced from £2.4 million to £1.6million, however significant challenges remained.

The various sources of government funding to mitigate the effects of Covid-19 were noted, however these would likely be one-off payments. The budget proposals outlined would close the budget gap over the next three years, with those within the Committee's remit amounting to £795,000. These included the Council's office accommodation as the lease was coming to an end, changes to staff travel allowances and a review of the structure of democratic representation.

In response to questions, the Director of Finance and Business Improvement explained that the £860,000 Government funding was not ringfenced and intended to assist the Council in coping with the pressures arising from Covid-19 and would be a one-off payment. The use of the funding would be reported to the Committee on a quarterly basis, with the

option of expanding its use for recovery purposes to be examined at a later date if appropriate. The intention to use the £139,000 Local Tax Support Grant in lieu of New Homes Bonus was reiterated.

Further information on the Business Rates Retention Schemes that were paused in the Summer of 2020 would be presented to the Committee's next meeting.

The Committee expressed their thanks to the officers involved for the work undertaken.

RESOLVED: That

1. The revenue budget proposals for services within the remit of the Committee, as set out in Appendix A to the report, be agreed; and
2. The revenue budget proposals for services within the remit of the other Service Committees, as set out in Appendix B to the report, be agreed.

Note: Councillors Brice and English left the meeting during this item.

126. DURATION OF MEETING

6.45 p.m. to 10.03 p.m.

Note: Due to technical difficulties the meeting commenced at 6.45 p.m.